

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



Director, Program Policy Division  
Bureau of Medicaid Policy and Actuarial Services

<b>Project Number:</b>	0414-NF	<b>Comments Due:</b>	7/12/04	<b>Proposed Effective Date:</b>	September 1, 2004
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**Policy Subject:** Medicaid Reimbursement for Medically Necessary Nursing Facility Days Following a Qualifying Medicare Hospital Stay

**Affected Programs:** Medicaid

**Distribution:** Nursing Facilities

**Policy Summary:** Beneficiaries may choose to refuse their Medicare SNF benefit and return to their Medicaid NF bed. Medicaid will reimburse for the medically necessary nursing facility days to meet the needs of the beneficiary. This policy is effective for nursing facility admissions on and after September 1, 2004.

# Proposed Policy Draft

## Michigan Department of Community Health Medical Services Administration

**Distribution:** Nursing Facilities  
Nursing Home Facilities (Provider Type 60)  
County Medical Care Facilities (Provider Type 61)  
Hospital Long Term Care Units (Provider Type 62)  
Hospital Swing Beds (Provider Type 63)  
Ventilator Dependent Units (Provider Type 63)

**Issued:** August 1, 2004 (Proposed)

**Subject:** Medicaid Reimbursement for a Nursing Facility Bed Following a Qualifying Medicare Hospital Stay

**Effective:** September 1, 2004 (Proposed)

**Programs Affected:** Medicaid

Situations exist where a dually eligible beneficiary who resides in a Medicaid-only certified bed is transferred to a hospital for acute care services and is in the hospital more than three days. At the time of the beneficiary's hospital discharge, the beneficiary is eligible for Medicare-reimbursed Skilled Nursing Facility (SNF) benefits. However, the beneficiary may wish to return to the Medicaid NF bed from which he was originally transferred. In these situations, Michigan Medicaid does not currently allow the beneficiary, after a Medicare-qualifying hospital stay, to refuse the Medicare benefit, nor does Michigan Medicaid reimburse the Nursing Facility (NF) for any days that would have been covered by Medicare.

The Social Security Act, Section 1919 (c) (1) (A) (x) states that Medicaid beneficiaries have the right to refuse certain nursing facility transfers. Specifically, "The right to refuse a transfer to another room within the facility, if a purpose of the transfer is to relocate the resident from a portion of the facility that is not a skilled nursing facility (for purposes of Title XVIII) to a portion of the facility that is such a skilled nursing facility".

Based on the above, beneficiaries may choose to refuse their Medicare SNF benefit and return to their Medicaid NF bed. Medicaid will reimburse for all medically necessary nursing facility days to meet the needs of the beneficiary. This policy is effective for nursing facility admissions on and after September 1, 2004.

The nursing facility must advise beneficiaries of their right to refuse their Medicare SNF benefit and return to their Medicaid NF bed.

### Required Documentation

The facility must maintain, in the beneficiary's fiscal record, documentation that supports that the beneficiary made the choice to forego Medicare-reimbursed services and return to his Medicaid-only certified bed. This documentation must be signed and dated by the beneficiary (or his authorized representative) and a nursing facility representative.

### Billing Instructions

Revenue Code 0160 must be used when billing Medicaid for skilled days that Medicare would have paid for beneficiaries returning to their NF bed.

### Manual Maintenance

Retain this bulletin for future reference.